



**TESTIMONY OF ATTORNEY JEFF GENTES
IN SUPPORT OF FUNDING FOR THE
CONNECTICUT FAIR HOUSING CENTER**

Thank you for this opportunity to address the Committee. My name is Jeff Gentes, and I am the managing attorney for fair lending and foreclosure prevention at the Connecticut Fair Housing Center. We are a private non-profit serving the entire state, and have requested that the funding contained in the Governor's budget for our work, which is incorporated into our line item under the Department of Housing, remain. This money is crucial to support our foreclosure prevention work.

We are on the front lines of a severe foreclosure crisis that has spread throughout the state. Over the past four years we have talked to homeowners in at least 164 out of Connecticut's 169 towns. Court filings rose in 2013 when compared to 2011 and 2012, and about one in 15 Connecticut homeowners with a mortgage is either more than 90 days behind on their mortgage or in foreclosure. We are looking at another three years of a foreclosure crisis, with many years after that of homeowners "underwater" on their mortgages.

Foreclosures hurt more than Connecticut's homeowners. They cost towns and taxpayers. On average, municipalities spend \$19,000 in police, fire, and maintenance costs per foreclosure. Neighbors' property values usually drop thousands of dollars as a result of a foreclosure, and social services are strained whenever a family loses their home.

Many foreclosures can be prevented, but doing so means navigating the judicial process, negotiating with difficult mortgage servicers, keeping up with an ever-changing legal landscape, listening to those on the ground, and being on the ground. That is what we do, and we are the

only statewide organization in Connecticut that provides free in-court representation and individualized advocacy to homeowners facing foreclosure.

Given how much foreclosures cost towns, the Governor's request would pay for itself if we prevented 26 unnecessary foreclosures. With help from your funding, in 2013 we reached 2000 homeowners through individualized advice and through teaching them how to represent themselves through our clinics in Hartford and Fairfield County and at housing counselor orientations in New Haven, Waterbury, Norwich, and New London. We reached several thousand more by distributing our manual for homeowners facing foreclosure in both English and Spanish. We trained and supported more than 240 attorneys and law students, the state's CHFA-approved housing counselors, and the Department of Banking's Foreclosure Assistance Hotline. We serve on the Judicial Branch's Bench-Bar Foreclosure Committee and on legislative task forces. We work with local groups like New Haven's ROOF Project and towns' social service directors on their foreclosure prevention efforts. Our work has been recognized nationally, and we have conducted trainings for attorneys across the country and for foreclosure mediators here and in Maine, Vermont, and Maryland. We are regularly asked to share our frontline experience with regulators and policymakers in Washington, D.C., and we make sure Connecticut's voice is heard. Your continued funding and support of our work will help prevent far more than 26 foreclosures over the next year.

Our work helps people like Carmen from New Britain, a homeowner with mental disabilities and limited English skills. After years of failed attempts to obtain a mortgage loan modification, Carmen and her husband, José, were served with a foreclosure complaint. The loss of their home, which is fitted with a wheelchair ramp and a special bed for their quadriplegic daughter, would have been devastating.

Seven years earlier they, like many African-American and Hispanic borrowers, had been steered into an adjustable rate subprime mortgage. Their mortgage payment became less affordable each year. In 2008, medical costs related to her daughter's condition increased significantly. The subsequent family financial crisis caused Carmen and José to fall behind on their mortgage payments.

The Center's attorneys were immediately concerned about Carmen and José's ability to navigate the complex foreclosure process, given the couple's limited English and their family's multiple disabilities. Loraine Martinez, one of the Center's four foreclosure prevention attorneys and a native Spanish-speaker, took on their case and represented Carmen and José in foreclosure mediation.

In May 2013 Loraine helped the couple obtain an affordable trial modification through the federal Home Affordable Modification Program (HAMP). Carmen and José successfully completed the trial plan and entered into a permanent HAMP modification in September 2013. Under HAMP, their mortgage was successfully modified to a lower fixed rate and a 40-year term.

Thank you for your time and for your past support of the Connecticut Fair Housing Center, and please continue to support our foreclosure prevention efforts. Please do not hesitate to contact me at (860) 263-0741 with any questions you may have.

